Handi-Bag Co., Inc., and Bags by Gail, Inc., Debtors-in-Possession: Semco Capital Group Ltd., Eli Shashoua and Michael Fisher, Individuals *and* Leather Goods, Plastics, Handbags & Novelty Workers' Union, Local 1, AFL-CIO. Case 2-CA-17180

18 August 1983

DECISION AND ORDER

BY MEMBERS JENKINS, ZIMMERMAN, AND HUNTER

Upon a charge filed on 10 April 1980 by Leather Goods, Plastics, Handbags & Novelty Workers' Union, Local 1, AFL-CIO, herein called the Union, and duly served on Handi-Bag Co., Inc., and Bags by Gail, Inc., the General Counsel of the National Labor Relations Board, by the Regional Director for Region 2, issued a complaint and notice of hearing on 30 June 1980, against Handi-Bag Co., Inc., and Bags by Gail, Inc., alleging that they had engaged in and were engaging in unfair labor practices affecting commerce within the meaning of Sections 8(a)(1), (3), and (5), 8(d), and 2(6) and (7) of the National Labor Relations Act, as amended. Copies of the charge and complaint and notice of hearing before an administrative law judge were duly served on the parties to this proceeding. On 24 July 24 1980 Handi-Bag Co., Inc., and Bags by Gail, Inc., filed an answer to the complaint, admitting in part, and denying in part, the allegations in the complaint, and raising certain affirmative defenses.

Upon an amended charge filed on 7 July 1980, by the Union, and duly served on Handi-Bag Co., Inc., Bags by Gail, Inc., Semco Capital Group Ltd., Eli Shashoua, and Michael Fisher, the General Counsel of the National Labor Relations Board, by the Regional Director for Region 2, issued an amended complaint and notice of hearing on 7 October 1980, alleging that Respondents[1] had engaged in and were engaging in unfair labor practices affecting commerce within the meaning of Sections 8(a)(1), (3), and (5), 8(d), and 2(6) and (7) of the National Labor Relations Act, as amended. Copies of the amended charge and amended complaint and notice of hearing before an administrative law judge were duly served on the parties to this proceeding.

With respect to the unfair labor practices, the amended complaint alleges in substance that Respondents violated Sections 8(a)(1) and (5) and 8(d) by failing to remit employee dues and initiation fees, by failing to remit certain sums to the trustees of the Insurance Trust Fund and the Joint Retirement Fund, as required by the collective-bargaining agreement, and by failing to comply with the awards of the impartial chairman requiring that certain sums be remitted to the Union and its trust funds. The amended complaint also alleges that Respondents violated Sections 8(a)(1), (3), and (5) and 8(d) by permanently discontinuing their manufacturing operations, discharging unit employees, and subcontracting to various employers the work formerly performed by unit employees. The amended complaint further alleges that by the above conduct Respondents repudiated the collective-bargaining process and withdrew recognition from the Union as the exclusive collective-bargaining representative of Respondents' unit employees, in violation of Sections 8(a)(1) and (5) and 8(d).

Thereafter, the Union requested that the charge be withdrawn insofar as it relates to Handi-Bag Co., Inc., Eli Shashoua, and Michael Fisher. On 21 May 1982 Respondents withdrew their answer to the complaint with regard to Bags by Gail, Inc., and Semco Capital Group Ltd. On 27 May 1982, the Regional Director for Region 2 issued an "Order Approving Withdrawal of Charge in Part and Dismissing Complaint in Part," which approved the request for the withdrawal of the charge with respect to Handi-Bag Co., Inc., Eli Shashoua, and Michael Fisher.

On 6 July 1982 counsel for the General Counsel filed directly with the Board a Motion for Summary Judgment. On July 14, 1982, the Board issued an order transferring proceeding to the Board and Notice To Show Cause why the General Counsel's Motion for Summary Judgment should not be granted. Respondents have not filed a response to the Notice To Show Cause.

Pursuant to the provisions of Section 3(b) of the National Labor Relations Act, as amended, the National Labor Relations Board has delegated its authority in this proceeding to a three-member panel.

Upon the entire record in this proceeding, the Board makes the following:

Ruling on the Motion for Summary Judgment

Section 102.20 of the Board's Rules and Regulations, Series 8, as amended, provides:

> The respondent shall, within 10 days from the service of the complaint, file an answer thereto. The respondent shall specifically admit, deny, or explain each of the facts alleged in the complaint, unless the respondent is without knowledge, in which case the respondent shall

[1] As noted, *infra*, the Regional Director for Region 2, pursuant to the Union's request, dismissed the amended complaint insofar as it names Handi-Bag Co., Inc., Eli Shashoua, and Michael Fisher as Respondents. Consequently, the term "Respondents" will hereinafter refer only to Semco Capital Group Ltd. and Bags by Gail, Inc.

> so state, such statement operating as a denial. All allegations in the complaint, if no answer is filed, or any allegation in the complaint not specifically denied or explained in an answer filed, unless the respondent shall state in the answer that he is without knowledge, shall be deemed to be admitted to be true and shall be so found by the Board, unless good cause to the contrary is shown.

The complaint and notice of hearing, and the amended complaint and notice of hearing, served on Respondents specifically stated that unless an answer was filed to the complaint and the amended complaint within 10 days from the service thereof "all of the allegations in the [complaint and amended complaint] shall be deemed to be admitted to be true and shall be so found by the Board." Although Respondents filed a timely answer to the complaint, they subsequently withdrew their answer on 21 May 1982. The withdrawal of an answer necessarily has the same effect as the failure to file an answer.[2]

Since Respondents have withdrawn their answer and have failed to respond to the Notice To Show Cause, the allegations of the amended complaint are deemed to be admitted and are found to be true. Accordingly, we grant the General Counsel's Motion for Summary Judgment.

On the basis of the entire record, the Board makes the following:

FINDINGS OF FACT

I. THE BUSINESS OF RESPONDENTS

At all times material herein, Handi-Bag Co., Inc., a New York corporation with an office and place of business in New York, New York, has been engaged in the manufacture and nonretail sale of ladies handbags and related products. At all times material herein, Bags by Gail, Inc., a New York corporation with an office and place of business in New York, New York, has been engaged in the manufacture and nonretail distribution of ladies handbags and related products. At all times material herein, Handi-Bag Co., Inc., and Bags by Gail, Inc., have been affiliated business enterprises with common officers, ownerships, directors, management, and supervision. They have formulated and administered a common labor policy affecting their employees, have shared common facilities, have provided services for and made sales to each other, have interchanged personnel with each other, and have held themselves out to the public as a single integrated business enterprise. By virtue of the above, Handi-Bag Co., Inc., and Bags by Gail, Inc., constitute a single integrated business enterprise and a single employer within the meaning of the Act.

At all times material herein, Semco Capital Group Ltd. has been the sole owner of Handi-Bag Co., Inc., and Bags by Gail, Inc., and Michael Fisher and Eli Shashoua have been the sole stockholders of, as well as agents and principals of, Semco Capital Group Ltd. At all times material herein, Michael Fisher, Eli Shashoua, have exercised substantial day-to-day control over the labor relations and business operations of Handi-Bag Co., Inc., and Bags by Gail, Inc. By virtue of the above, Semco Capital Group Ltd., Michael Fisher, and Eli Shashoua have been at all material times herein *alter egos* of Handi-Bag Co., Inc., and Bags by Gail, Inc.

Handi-Bag Co., Inc., and Bags by Gail, Inc., are employer members of the New York Industrial Council of the National Handbag Association, herein called the Association. The Association consists of employers in the city and State of New York which are engaged in the business of manufacturing and selling ladies handbags and related products, and which exists for the purpose, *inter alia*, of representing its employer-members in negotiating and administering collective-bargaining agreements with various labor organizations, including the Union. Annually, in the course and conduct of their business operations, the employer-members of the Association, collectively, derive gross revenues in excess of $500,000 and purchase goods and materials valued in excess of $50,000 directly from firms located outside the State of New York. On the basis of the foregoing we find that Respondents are, and have been at all times material herein, employers engaged in commerce within the meaning of Section 2(2), (6), and (7) of the Act, and that it will effectuate the policies of the Act to assert jurisdiction herein.

II. THE LABOR ORGANIZATION INVOLVED

The Union is a labor organization within the meaning of Section 2(5) of the Act.

III. THE UNFAIR LABOR PRACTICES

A. *The Unit and the Union's Representative Status*

The following employees constitute a unit appropriate for collective-bargaining purposes within the meaning of Section 9(b) of the Act:

> All production employees, shipping and receiving clerks, maintenance employes, pattern makers (also known as sample makers and/or designers), employed by the employer-mem-

[2] *Image Arts, Inc.*, 236 NLRB 1229 (1978).

bers of the Association, excluding head shipping clerks and other supervisors as defined in the National Labor Relations Act, as amended.

For many years, the Union has been the designated exclusive collective-bargaining representative of the employees in the above-described unit, and has been recognized as such by the Association. Such recognition has been embodied in successive collective-bargaining agreements, of which the most recent was effective from 22 April 1978 to 24 April 1981. We find that, at all times material herein, the Union has been the exclusive representative of the employees in the above-described unit within the meaning of Section 9(a) of the Act.

B. *The 8(a)(5), (3), and (1) and 8(d) Violations*

The above-described collective-bargaining agreement provides as follows:

18. *Inside, Subsidiary, Contracting and Outside Shops*

C. A "contracting" shop is one which does work for an Inside Shop . . . . (b) The Employer shall not give out any work to contracting shops unless the employees of the Inside Shop shall work at least two and one-half (2-1/2) hours overtime per week.

49. *Non-Removal of Shop*

The Employers shall not remove their shops from the city where they are presently located, without the consent of the Union.

52. *Insurance Trust Fund-Welfare Benefits*

A. The Employer shall continue to participate and contribute to the POCKETBOOK AND NOVELTY WORKERS UNION INSURANCE TRUST FUND (hereinafter referred to as the "INSURANCE TRUST FUND") . . . .

B. The Employer shall pay one dollar ($1.00) per week to the INSURANCE TRUST FUND for each Employee working during any week or part thereof.

54. *Pension Benefits*

A. The parties hereto further agree to the continuation of the Pension Fund known as the JOINT RETIREMENT FUND, POCKETBOOK AND NOVELTY WORKERS UNION, NEW YORK, (hereinafter referred to as the "JOINT RETIREMENT FUND"). Each Employer shall pay weekly four (4%) percent of the gross wages to the Trustees of the JOINT RETIREMENT FUND hereinafter provided . . . .

4. *Checkoff of Union Initiation Fees and Dues*

A. The Employer shall deduct and withhold weekly the Union periodic dues and initiation fees from the wages of each employee who has voluntarily executed an authorization card, and send a check therefor to the Union not later than the tenth (10th) day of each following month . . . .

Since on or about 14 October 1979, Respondents have failed and refused to make the payments to the Insurance Trust Fund and the Joint Retirement Fund, and have failed and refused to remit to the Union the dues and initiation fees withheld from the wages of unit employees, as required by the collective-bargaining agreement. Respondents engaged in the foregoing conduct unilaterally and without prior notice to the Union and without having afforded the Union an opportunity to negotiate and bargain.

In or about October 1979, pursuant to the collective-bargaining agreement, the Union filed a complaint with the impartial chairman alleging that Respondents failed to remit employee dues and failed to remit certain sums, plus interest, to the trustees of the above-described trust funds. On 10 December 1979 the impartial chairman ordered Respondents to remit certain sums to the Union and to the above-described trust funds. Since on or about 10 December 1979, Respondents have failed and refused, and continue to fail and refuse, to comply with the impartial chairman's award.

In or about February 1980, pursuant to the collective-bargaining agreement, the Union filed a complaint with the impartial chairman alleging that Respondents failed to remit employee dues and failed to remit certain sums, plus interest, to the trustees of the above-described trust funds. On 4 March 1980 the impartial chairman ordered Respondents to remit certain sums to the Union and the above-described trust funds. Since on or about 4 March 1980, Respondents have failed and refused, and continue to fail and refuse, to comply with the impartial chairman's award.

On or about 31 March 1980 Respondents permanently discontinued their manufacturing operations, discharged their unit employees, and subcontracted the work formerly performed by unit employees to various employers. Respondents engaged in the conduct of 31 March 1980, in order to gain economic relief from the obligations of the collective-bargaining agreement, and they engaged in that conduct unilaterally and without prior notice to the Union and without having afforded the Union an opportunity to negotiate and bargain.

By engaging in all of the above-described conduct, Respondents have repudiated the collective-bargaining process and have withdrawn recognition from the Union as the exclusive collective-bargaining representative of the unit employees.

By failing to remit dues and fees and to make certain payments to the above-described trust funds, by failing to comply with the awards of the impartial chairman which were sought pursuant to the collective-bargaining agreement, and by permanently discontinuing their manufacturing operations, discharging unit employees, and subcontracting unit work under the circumstances described above, Respondents have engaged in and are engaging in unfair labor practices within the meaning of Sections 8(a)(5) and (1) and 8(d) of the Act. By repudiating the collective-bargaining process and withdrawing recognition from the Union, Respondents have further engaged in and are engaging in unfair labor practices within the meaning of Sections 8(a)(5) and (1) and 8(d) of the Act. By permanently discontinuing their manufacturing operations, discharging unit employees, and subcontracting unit work in order to gain economic relief from the obligations of the collective-bargaining agreement, Respondents have engaged in conduct which is inherently destructive of the rights guaranteed employees by Section 7 of the Act, and have violated Section 8(a)(3) and (1) of the Act.[3]

IV. THE EFFECT OF THE UNFAIR LABOR PRACTICES UPON COMMERCE

The activities of Respondents set forth in section III, above, occurring in connection with their operations described in section I, above, have a close, intimate, and substantial relationship to trade, traffic, and commerce among the several States and tend to lead to labor disputes burdening and obstructing commerce and the free flow of commerce.

V. THE REMEDY

Having found that Respondents have engaged in certain unfair labor practices, we shall order Respondents to cease and desist therefrom and take certain affirmative action designed to effectuate the policies of the Act. We have found, *inter alia*, that Respondents violated Section 8(a)(3) and (1), as well as Sections 8(a)(5) and 8(d) of the Act by permanently discontinuing their manufacturing operations, discharging unit employees, and subcontracting unit work to various employers. In the circumstances of this case, where the discontinuance of operations, discharge of employees, and subcontracting of unit work have been found to violate Section 8(a)(3), (5), and (1), we find it necessary, in order to effectuate the purposes of the Act, to restore the *status quo ante* by ordering Respondents to reopen their manufacturing operations.[4] Accordingly, we shall order Respondents to restore the *status quo ante* by reopening their manufacturing operations, by reinstituting the work of their unit employees, and by offering the terminated bargaining unit employees reinstatement to their former positions or, if those positions no longer exist, to substantially equivalent positions, without prejudice to their seniority and other rights and privileges. We shall also order Respondents to make employees whole for any loss of earnings they may have suffered as a result of their unlawful terminations, by paying to each a sum of money equal to the amount he would have earned, less any net interim earnings, plus interest. Backpay shall be computed in accordance with the formula set forth in *F. W. Woolworth Company*, 90 NLRB 289 (1950), with interest thereon to be computed in the manner described in *Florida Steel Corporation*, 231 NLRB 651 (1977).[5]

In addition, we shall order Respondents to make whole their employees by making the contractually required payments to the above-described trust funds,[6] and by reimbursing employees for any ex-

[3] *Milwaukee Spring Division of Illinois Coil Spring Company*, 265 NLRB No. 28 (1982); *Los Angeles Marine Hardware Co.*, a 235 NLRB 720 (1978), enfd. 602 F.2d 1302 (9th Cir. 1979).

In finding an 8(a)(3) violation in this proceeding, Member Hunter finds it unnecessary to designate Respondents' actions as "inherently destructive" nor does he rely on the cases cited immediately above. Rather, he finds the complaint may fairly be read to allege Respondents' actions were discriminatory acts, and, in the face of a failure to file an answer to the complaint, are sufficiently established as 8(a)(3) violations.

[4] The Board's normal remedy for violations such as those found here is to order a respondent to restore the *status quo ante* unless the respondent can establish that the normal remedy "would endanger its continued viability." See, e.g., *Hood Industries, Inc.*, 248 NLRB 597, fn. 3 (1980); *Lion Uniform*, 247 NLRB 992, 994 (1980). In the instant case, Respondents have withdrawn their answer to the complaint, and have failed to introduce evidence showing that a reopening of their manufacturing operations would endanger their continued viability. Respondents therefore have failed to meet their burden in this proceeding. *APD Transport Corp.*, 253 NLRB 468, 472, fn. 6 (1980).

In ordering a *status quo ante* remedy here, Member Hunter does not necessarily agree that such a remedy is appropriate *unless* a respondent can establish that the normal remedy "would endanger its continued viability." However, given the unfair labor practices found here and the fact that Respondents, by failing to file an answer, have supplied no reason why such a remedy should not be given, Member Hunter joins in the remedy.

[5] See, generally, *Isis Plumbing Co.*, 138 NLRB 716 (1962).

[6] Because the provisions of employee benefit fund agreements are variable and complex, the Board does not provide at the adjudicatory stage of a proceeding for the addition of interest at a fixed rate on unlawfully withheld fund payments. We leave to the compliance stage the question of whether Respondents must pay any additional amounts into the benefit funds in order to satisfy our "make-whole" remedy. These additional amounts may be determined, depending upon the circumstances of each case, by reference to provisions in the documents governing the funds at issue and, where there are no governing provisions, to evidence of any loss directly attributable to the unlawful withholding action, which might include the loss of return on investment of the portion of funds withheld, additional administrative costs, etc., but not collateral losses. *Merryweather Optical Co.*, 240 NLRB 1213 (1979).

penses ensuing from Respondents' unlawful failure to make such required payments, as provided in *Kraft Plumbing & Heating, Inc.*, 252 NLRB 891, fn. 2 (1980), enfd. 661 F.2d 940 (9th Cir. 1981).[7]

CONCLUSIONS OF LAW

1. Handi-Bag Co., Inc., and Bags by Gail, Inc., constitute a single employer within the meaning of the Act. Semco Capital Group Ltd., Michael Fisher, and Eli Shashoua are *alter egos* of Handi-Bag Co., Inc., and Bags by Gail, Inc. Respondents are employers engaged in commerce within the meaning of Section 2(2), (6), and (7) of the Act.

2. Leather Goods, Plastics, Handbags and Novelty Workers' Union, Local 1, AFL-CIO, is a labor organization within the meaning of Section 2(5) of the Act.

3. All production employees, shipping and receiving clerks, maintenance employees, pattern makers (also known as sample makers and/or designers), employed by the employer-members of the Association, excluding head shipping clerks and other supervisors as defined in the National Labor Relations Act, as amended, constitute a unit appropriate for the purposes of collective bargaining within the meaning of Section 9(b) of the Act.

4. At all times material herein, the above-named labor organization has been the exclusive representative of all employees in the aforesaid appropriate unit for the purposes of collective bargaining within the meaning of Section 9(a) of the Act.

5. By failing to remit employee dues and fees, by failing to comply with the impartial chairman's awards which were sought pursuant to the collective-bargaining agreement, by permanently discontinuing their manufacturing operations, discharging their unit employees, and subcontracting unit work, and by repudiating the collective-bargaining process and withdrawing recognition from the Union, Respondents have engaged in and are engaging in unfair labor practices within the meaning of Sections 8(a)(5) and (1) and 8(d) of the Act.

6. By permanently discontinuing their manufacturing operations, discharging their unit employees, and subcontracting unit work, Respondents have engaged in and are engaging in unfair labor practices within the meaning of Section 8(a)(3) and (1) of the Act.

7. The aforesaid unfair labor practices are unfair labor practices affecting commerce within the meaning of Section 2(6) and (7) of the Act.

ORDER

Pursuant to Section 10(c) of the National Labor Relations Act, as amended, the National Labor Relations Board hereby orders that the Respondents, Semco Capital Group Ltd. and Bags by Gail, Inc., New York, New York, their officers, agents, successors, and assigns, shall:

1. Cease and desist from:

(a) Failing to remit to the union employees dues and initiation fees, as required by the collective-bargaining agreement, and failing to comply with the awards of the impartial chairman requiring that dues be remitted.

(b) Failing to make payments to the trustees of the Insurance Trust Fund and the Joint Retirement Fund, as required by the collective-bargaining agreement, and failing to comply with the awards of the impartial chairman requiring that such payments be made.

(c) Permanently discontinuing their manufacturing operations, discharging their unit employees, and subcontracting unit work, unilaterally and without prior notice to the Union and without having afforded the Union an opportunity to negotiate and bargain, and for the purpose of gaining economic relief from the obligations of the collective-bargaining agreement.

(d) Repudiating the collective-bargaining process and withdrawing recognition from the Union as the exclusive collective-bargaining representative of their unit employees.

(e) In any other manner interfering with, restraining, or coercing employees in the exercise of the rights guaranteed them in Section 7 of the Act.

2. Take the following affirmative action which the Board finds will effectuate the policies of the Act:

(a) Upon request, bargain collectively with Leather Goods, Plastics, Handbags and Novelty Workers' Union, Local 1, AFL-CIO, as the exclusive representative of all the employees in the appropriate unit with respect to rates of pay, wages, hours, and other terms and conditions of employment.

(b) Reopen their manufacturing operations and restore the unit work previously performed by unit employees.

(c) Recall the unlawfully discharged unit employees and offer them immediate and full reinstatement to their former positions, or, if those positions no longer exist, to substantially equivalent positions, without prejudice to their seniority and other rights and privileges previously enjoyed.

(d) Make whole the unit employees for any loss of earnings they may have suffered by reason of their unlawful discharges, and further make them whole by transmitting payments to the Insurance Trust Fund and Joint Retirement Fund, as required by the collective-bargaining agreement and the

[7] See also *F. Landon Cartage Co.*, 265 NLRB No. 177 (1982).

awards of the impartial chairman, and further make them whole by reimbursing them for any expenses ensuing from Respondents' unlawful failure to make such required payments, in the manner set forth in the section of this Decision and Order entitled "The Remedy."

(e) Remit to the Union employee dues and initiation fees which have been withheld unlawfully.

(f) Preserve and, upon request, make available to the Board or its agents, for examination and copying, all payroll records, social security payment records, timecards, personnel records and reports, and all other records necessary to analyze the amount of backpay due under the terms of this Order.

(g) Post at their New York, New York, facility copies of the attached notice marked "Appendix."[8] Copies of said notice, on forms provided by the Regional Director for Region 2, after being duly signed by Respondents' representative, shall be posted by Respondents immediately upon receipt thereof, and be maintained by them for 60 consecutive days thereafter, in conspicuous places, including all places where notices to employees are customarily posted. Reasonable steps shall be taken by Respondents to ensure that said notices are not altered, defaced, or covered by any other material.

(h) Notify the Regional Director for Region 2, in writing, within 20 days from the date of this Order, what steps Respondents have taken to comply herewith.

[8] In the event that this Order is enforced by a Judgment of a United States Court of Appeals, the words in the notice reading "Posted by Order of the National Labor Relations Board" shall read "Posted Pursuant to a Judgment of the United States Court of Appeals Enforcing an Order of the National Labor Relations Board."

APPENDIX

NOTICE TO EMPLOYEES
POSTED BY ORDER OF THE
NATIONAL LABOR RELATIONS BOARD
An Agency of the United States Government

WE WILL NOT fail to remit to Leather Goods, Plastics, Handbags and Novelty Workers' Union, Local 1, AFL-CIO, employee dues and initiation fees, as required by our collective-bargaining agreement, and WE WILL NOT fail to comply with the awards of the impartial chairman, requiring that dues be remitted.

WE WILL NOT fail to make payments to the trustees of the Insurance Trust Fund and the Joint Retirement Fund, as required by the collective-bargaining agreement, and WE WILL NOT fail to comply with the awards of the impartial chairman requiring that such payments be made.

WE WILL NOT permanently discontinue our manufactuing operations, discharge unit employees, and subcontract unit work to various employers, unilaterally and without prior notice to the above-described Union and without having afforded the above-described Union an opportunity to negotiate and bargain, and for the purpose of gaining economic relief from the obligations of our collective-bargaining agreement.

WE WILL NOT repudiate the collective-bargaining process and withdraw recognition from the above-described Union as the exclusive collective-bargaining representative of our unit employees.

WE WILL NOT in any other manner interfere wtih, restrain, or coerce employees in the exercise of the rights guaranteed them in Section 7 of the Act.

WE WILL, upon request, bargain collectively with the above-described Union as the exclusive representative of all the employees in the appropriate unit with respect to rates of pay, wages, hours, and other terms and conditions of employment.

WE WILL reopen our manufacturing operations and restore the unit work previously performed by unit employees.

WE WILL recall the unlawfully discharged unit employees and offer them immediate and full reinstatement to their former positions, or, if those positions no longer exist, to substantially equivalent positions, without prejudice to their seniority and other rights and privileges previously enjoyed.

WE WILL make the unit employees whole for any loss of earnings they may have suffered by reason of their unlawful discharges, and further make them whole by transmitting payments to the Insurance Trust Fund and Joint Retirement Fund, as required by the collective-bargaining agreement and the awards of the impartial chairman, and further make them whole by reimbursing them for any expenses ensuing from our unlawful failure to make such required payments, with interest, in the manner prescribed by the National Labor Relations Board.

WE WILL remit to the above-described Union employee dues and initiation fees which we unlawfully withheld.

SEMCO CAPITAL GROUP LTD. AND BAGS BY GAIL, INC.